

AGENCY-LEVEL FIVE-YEAR STRATEGIC PLAN

MISSION STATEMENT

To regulate and supervise pari-mutuel racing and wagering conducted in Arizona in order to protect racing participants and the wagering public. To regulate and supervise boxing and mixed martial arts events conducted in Arizona to protect all participants in these events.

AGENCY DESCRIPTION

The Department regulates the Arizona pari-mutuel horse and greyhound racing industries. The Department oversees, supervises and issues permits for all commercial horse, greyhound and county fair racing, including all live and simulcast racing; supervises off-track betting sites; conducts background checks and licenses all racing participants; collects state revenues generated by races; promotes and encourages the breeding of horses and greyhounds in the state; promotes and encourages the adoption of retired racehorses and retired greyhounds; and enforces laws and rules related to racing and wagering. The Department also regulates and supervises all professional boxing events and all mixed martial arts (MMA) contests in Arizona.

STRATEGIC ISSUES

Issue 1 Animal Drug Testing and Enforcement

In May 2007, the Office of the Auditor General recommended that the Department continue to move forward to align its drug testing practices with the Association of Racing Commissioners International (ARCI) Model Rules, seek consensus with the industry in areas where there may be concerns, and put the equine drug testing policy and penalties into administrative rule instead of solely in Department policy. Over the ensuing years, the Department slowly worked toward that goal but in 2009, Governor Brewer imposed a moratorium on rulemaking which made the ultimate goal difficult to reach. The Governor renewed the moratorium each year thereafter. Still the Department made the necessary plans to effectuate the national model rules developed by ARCI and worked with national organizations and the local horsemen's group to get this done.

In 2012, Governor Jan Brewer authorized an exemption to the Arizona moratorium on rulemaking. With input from industry stakeholders, the Department developed a package of rules to bring ADOR rules into compliance with ARCI Medication and Testing Model Rules. That proposal was approved by the Arizona Racing Commission and took effect in December 2013.

Issue 2 Human Drug Testing and Enforcement

The Department has regulatory authority to enforce the laws of Arizona and the Department's Administrative Code provisions regarding illegal substances and has aggressively done so to ensure the safety of all racing participants. Racing participants include public, licensees, licensees that work directly with animals and the animal athletes. Individual licensees that are under the influence of any type of illegal substance put all racing participants at risk. Licensees that are found to have a positive drug test and can produce a lawfully issued drug prescription may not be subject to disciplinary action.

Issue 3 License Application Process

The Department has revised the licensing process by computerizing the license application, license issuing process and staggering with a two year expiration date. This automation has reduced customer wait time, and made the licensing process more users friendly and efficient, while still obtaining the information necessary to determine eligibility for licensure. The Department has continued to refine the background investigation process that continues to reduce false applications by 90%.

Issue 4 Boxing and Mixed Martial Arts Program

The staff of the State's Boxing and Mixed Martial Arts (MMA) Commission is within the Department of Racing. The Boxing and MMA Commission regulates and supervises professional boxing events and both professional and amateur MMA contests. The Boxing and MMA Commission's 5-year Review Report, which was approved by the Governor's Regulatory Review Council on May 1, 2012, identified a number of areas and rules that need to be improved and updated to better regulate the sports and provide contestants, promoters and officials with clearer understanding of applicable requirements. Key issues are the elimination of a statutory exemption for purported non-profit regulatory bodies and adoption of certain restrictions for amateur MMA contestants. Those issues have been addressed with the passage of H.B. 2263. Further updating of boxing and MMA rules will be considered.

STRATEGIES

Issue 1 Animal Drug Testing and Enforcement

The 2011 budget removed the Department from the General Fund and placed the Department's budget on full funding from the racing industry beginning in July 2012. Because of this the Department was able to increase the number of tests per start in 2011-2012 and increased that number in the next fiscal year. Department expenditures for animal drug testing will increase to more than 10% of its appropriation in FY 2015.

Issue 2 Human Drug Testing and Enforcement

The Department continues to monitor and ensure that Arizona commercial racing permittees provide pre-employment drug screening for new, unlicensed job applicants for positions at racetracks and off-track wagering facilities. Licensees found to be under the influence of illegal substances may be subject to disciplinary action. During the license application process applicants who indicate involvement in criminal drug offenses could be subject to a license denial. The Department's Investigative staff has received training on sample collection to ensure proper testing protocol. Additionally, the permittees grounds have been designed as "Drug Free Zone" with appropriate signage being displayed.

Issue 3 License Application Process

The Department's website continues to be an avenue to access the license application with instructions for completion, list of license fees, and description of license categories, along with local and national licensing information and links. The Department issues a two year license for all license categories and has staggered expiration dates to increase licensing operation efficiency and management. Licensing office hours and day of operations were extended to help increase customer service effectiveness. The Department's licensing fees established in 2012 are contributing to the Department's self-funding revenue.

Issue 4 Boxing and Mixed Martial Arts Program

During the next year, the staff will focus on implementing appropriate changes through statutory amendments and/or rulemaking. In addition, training sessions are being conducted on a quarterly basis for boxing and MMA officials. This additional training and knowledge has enhanced our officials' credibility and competence. With additional funds for drug testing, the Boxing and MMA

Commission will also be able to regulate and discourage behavior that is detrimental to the industry. A substantial increase in drug testing expenditures will keep boxing and MMA clean and ensure that certain contestants do not have an unfair advantage.

RESOURCE ASSUMPTIONS

	FY 2015 Appropriation	FY 2016 Budget Request	FY 2017 Estimate	FY 2018 Estimate	FY 2019 Estimate
Full-time-equivalent (FTE) Positions	40.5	40.5	40.5	40.5	40.5
General Fund	\$2,029,500	\$2,029,500	\$2,029,500	\$2,029,500	\$2,029,500
Other Appropriated Funds	\$2,900,700	\$2,900,700	\$2,900,700	\$2,900,700	\$2,900,700
Non-Appropriated Funds	\$89,600	\$90,000	\$50,000	\$50,000	\$50,000
Federal Funds	\$0	\$0	\$0	\$0	\$0
Total Agency Funds	\$5,019,800	\$5,020,200	\$4,980,200	\$4,980,200	\$4,980,200